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TRANSMITTAL SLIP		19 May 1986
TO: C/RD		
ROOM NO. 906	BUILDING Ames	
REMARKS:  ATTN: <div></div>		
FROM: EO/OP		
ROOM NO. 6N20	BUILDING <div></div>	EXTENSION <div></div>

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## HAC QUESTION 3

Q. A. What is your assessment of the probable rate of increase in the numbers of retirements if the above mentioned provision is in the final tax legislation and is signed by the President?

A. A. While we cannot predict exactly how many would retire, we do know that employees are keenly aware of this issue and indications are that a significant number would retire to avoid the change. Last year during the 1 March through 30 June 1985 time-frame, 120 retired. In the same period in 1984, 109 employees retired. For the same period this year we already have 157 employees who have either retired, signed or expressed their intent to retire by 30 June 1986. Some of this increase very likely is because of the uncertainty over the tax issue. Another 64 have stated they will leave if the tax change is enacted. We anticipate this number will continue to rise as the 30 June House-passed effective date approaches. How dramatically will depend on what direction Congress appears to be taking on the issue. If there is no decision by 30 June, many employees will leave to avoid the risk associated with the uncertainty.

Q. B. Provide for the record the number of CIA personnel who are eligible for retirement but continue to work.

A. B. 1,154 Agency employees are eligible to retire as of 1 May .

25X1 This represents  of the Agency's on-duty strength. This percentage jumps dramatically, however, for the Agency's Senior Intelligence Service (the Agency equivalent of the Government-wide Senior Executive Service)

25X1 where  are eligible.

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